



U.S. Department of Justice  
Office of the United States Trustee  
Region 2

Southern District of New York

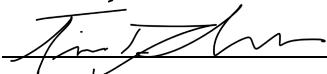
IN RE: } CHAPTER 11  
} CASE NO. 19-11608 (MEW)  
HSP Liquidation, LLC (fka Hollander Sleep Products, LLC), et al., } (Jointly Administered)  
} DEBTOR. }

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**DEBTOR'S POST-CONFIRMATION  
QUARTERLY OPERATING REPORT  
FOR THE PERIOD**  
FROM 10/1/2020 TO 12/31/2020

Comes now the Hollander Wind-Down Trust<sup>1</sup> and files its Post-Confirmation Quarterly Operating Report in accordance with the Guidelines established by the United States Trustee and FRBP 2015.

In accordance with 28 U.S.C. Section 1746, I declare under penalty of perjury that I have examined the information contained in this report and it is true and correct to the best of my knowledge.

Signed: 

Date: 1/20/2021

Tim Daileader  
Print Name

Authorized Signatory, Drivetrain, LLC, as Trustee  
Title

Debtor's Address  
and Phone Number:

c/o Drivetrain, LLC, as Trustee  
410 Park Avenue, Ste 900  
New York, NY 10022  
Tel. (212) 856-9700

Attorney's Address  
and Phone Number:

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<sup>1</sup> The Post-Effective Date Debtors in these Chapter 11 cases, along with the last four digits of each Post-Effective Debtor's federal tax identification number are: Dream II Holdings, LLC (7915); HHFH Liquidation, LLC (2063); HSP Liquidation, LLC (2143); PCF Liquidation, LLC (1445); HSPK Liquidation, LLC (4119); PCFC Liquidation, LLC (3119); and HSPC Liquidation Limited (3477).

<b>QUESTIONNAIRE</b>		
	<b>YES*</b>	<b>NO</b>
1. Have any assets been sold or transferred outside the normal course of business, or outside the Plan of Reorganization during this reporting period?		X
2. Are any post-confirmation sales or payroll taxes past due?		X
3. Are any amounts owed to post-confirmation creditors/vendors over 90 days delinquent?		X
4. Is the Debtor current on all post-confirmation plan payments?	N/A	

\*If the answer to any of the above questions is "YES," provide a detailed explanation of each item on a separate sheet.

HSP Liquidation, LLC (fka Hollander Sleep Products, LLC), et al.,

<b>INSURANCE INFORMATION</b>		
	<b>YES</b>	<b>NO*</b>
1. Are real and personal property, vehicle/auto, general liability, fire, theft, worker's compensation, and other necessary insurance coverages in effect?	X	
2. Are all premium payments current?	X	

\*If the answer to any of the above questions is "NO," provide a detailed explanation of each item on a separate sheet.

#### **DESCRIBE PERTINENT DEVELOPMENTS, EVENTS, AND MATTERS DURING THIS REPORTING PERIOD:**

##### General Description

On September 5, 2019, the Court entered its *Findings of Fact, Conclusions of Law, and Order Confirming Debtors' Modified First Amended Joint Plan Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 356] confirming the Plan (capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Plan). On September 13, 2019, the Effective Date of the Plan occurred. See Notice of (I) Entry Confirmation Order, (II) Occurrence of Effective Date, and (III) Related Bar Dates [Docket No. 371].

Pursuant to the Plan, on the Effective Date, the Debtors sold substantially all of their assets to Bedding Acquisition, LLC (the "Purchaser") in accordance with the Asset Purchase Agreement and established the Wind-Down Trust. Drivetrain, LLC, was appointed the Trustee and Plan Administrator for the Wind-Down Trust. The Plan Administrator is responsible for, among other things, "... wind[ing] down the Debtors' businesses and affairs . . . and administer[ing] the liquidation of the Post-Effective Date Debtors and any assets held by the Wind-Down Trust . . ." See Plan at Article IV.D. This includes the authority "to File, withdraw, or litigate to judgment objections to Claims or Interests." *Id.* at Article VII.B.

Since the Effective Date, the Plan Administrator has assumed all responsibilities for the administration of the Post-Effective Date Debtors' affairs that were previously undertaken by the Debtors prior to the Effective Date and has dedicated considerable time and effort to a multitude of tasks, including, without limitation, (a) familiarizing itself with the assets, liabilities and unfinished business of the estates, (b) overseeing closings of remaining operations, (c) coordinating case administration with the Canadian Information Officer in respect of the CCAA proceedings, (d) analyzing claims, and (e) engaging in related sale transition, plan implementation, and wind-down activities.

The Plan Administrator and its professionals are in the process of reviewing and analyzing the merits of the asserted Claims. However, they have not had a sufficient opportunity to complete this comprehensive and time-consuming task. Thus, the Plan Administrator has requested and been granted an extension of the Administrative Claims Objection Bar Date to May 5, 2021 and an extension of the Claims Objection Bar Date to May 5, 2021. To date, the Plan Administrator has filed its first, second and third omnibus claims objections and first notice of satisfaction of claims. The Plan Administrator has paid allowed 503(b)(9) claims in the aggregate amount of approximately \$2.1 million and DIP Term Loan Claims in the amount of approximately \$2.1 million. The Plan Administrator and its professionals continue to review and analyze the Claims and the Debtors' books and records to reconcile such claims and determine whether and the extent to which they are valid and are continuing to negotiate settlements with certain claimants.

##### Bank Accounts

Pursuant to a Transition Services Agreement entered into between the Debtors and the Purchaser on the Effective Date, during the prior reporting period, the Purchaser continued to use and have access to certain deposit and disbursement accounts of the Debtors maintained at Wells Fargo Bank, N.A. All accounts related to the Transition Services Agreement have been closed as of the date hereof.

**Estimated Date of Filing the Application for Final Decree:** N/A

**CHAPTER 11 POST-CONFIRMATION  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

<b>Case Name:</b>	HSP Liquidation, LLC
<b>Case Number:</b>	19-11608
<b>Date of Plan Confirmation:</b>	9/13/2019 (Effective Date)

All items must be answered. Any which do not apply should be answered "none" or "N/A".

	Quarter Ending 12/31/20	Post Confirmation Total
1. CASH (Beginning of Period)	\$ 10,356,264.16	\$ 1,572,058.67
2. INCOME or RECEIPTS during the Period	\$ 575,551.79	\$ 12,857,915.99
3. DISBURSEMENTS		
a. Operating Expenses (Taxes):		
(i) Federal Taxes		
(ii) State Taxes		
(iii) Other Taxes		
b1. All Other Operating Expenses:	\$ 182,465.46	\$ 1,064,229.39
c. Plan Payments		
(i) Administrative Claims	\$ 3,651.75	\$ 2,118,933.57
(ii) Other Priority Claims		
(iii) Other Secured Claims		
(iv) Secured Tax Claims		
(v) DIP/Term Loan Claims	\$ 2,100,000.00	\$ 2,100,000.00
(vi) General Unsecured Claims		
Total Disbursements (Operating & Plan; ex UST Fees)	\$ 2,286,117.21	\$ 5,283,162.96
d. US Trustee Fees		
(i) U.S. Trustee Quarterly Fees <sup>1</sup>	\$ 0.00	\$ 501,113.00
4 CASH (End of Period)	\$ 8,645,698.74	\$ 8,645,698.70

**DETAIL PER DEBTOR:**

**Receipts**

19-11607	Dream II Holdings, LLC	0.00	0.00
19-11608	HSP Liquidation, LLC	575,551.79	\$ 12,857,915.99
19-11609	HHFH Liquidation, LLC	0.00	0.00
19-11610	HSPK Liquidation, LLC	0.00	0.00
19-11611	PCF Liquidation, LLC	0.00	0.00
19-11612	PCFC Liquidation, LLC	0.00	0.00
19-11613	HSPC Liquidation Limited	0.00	0.00

**Disbursements**

19-11607	Dream II Holdings, LLC	0.00	0.00
19-11608	HSP Liquidation, LLC	2,286,117.21	\$ 5,283,162.96
19-11609	HHFH Liquidation, LLC	0.00	0.00
19-11610	HSPK Liquidation, LLC	0.00	0.00
19-11611	PCF Liquidation, LLC	0.00	0.00
19-11612	PCFC Liquidation, LLC	0.00	0.00
19-11613	HSPC Liquidation Limited	0.00	0.00

<sup>1</sup> U.S. Trustee Quarterly Fees based on Wind-Down Trust disbursements and Pass-Through Bank Account disbursements resulting in an overpayment of fees.

**CHAPTER 11 POST-CONFIRMATION  
 PASS THROUGH ACCOUNTS**

<b>Case Name:</b>	HSP Liquidation, LLC
<b>Case Number:</b>	19-11608
<b>Date of Plan Confirmation:</b>	9/13/2019 (Effective Date)

All items must be answered. Any which do not apply should be answered "none" or "N/A".

**1a. CASH (Beginning of Period) - Pass Through Accounts**

Quarter Ending 12/31/20	Post Confirmation Total
\$ 705,022.18	\$ 2,394,435.85

**2a. INCOME or RECEIPTS during the Period**

\$	\$ 119,691,683.41
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**3. DISBURSEMENTS**

**a. Operating Expenses (Fees/Taxes):**

- (i) Federal Taxes
- (ii) State Taxes
- (iii) Other Taxes

\$ 705,022.18	\$ 122,086,119.26
\$ 705,022.18	\$ 122,086,119.26

**b2. All Other Operating Expenses - Pass Through :**

**c. Plan Payments**

- (i) Administrative Claims
- (ii) Other Priority Claims
- (iii) Other Secured Claims
- (iv) Secured Tax Claims
- (v) DIP/Term Loan Claims
- (vi) General Unsecured Claims

**Total Disbursements**

**d. US Trustee Fees**

- (i) U.S. Trustee Quarterly Fees

\$	0.00	\$ 0.00
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**4a CASH (End of Period) - Pass Through Accounts**

\$	0.00	\$ 0.00
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**CHAPTER 11 POST-CONFIRMATION  
BANK ACCOUNT RECONCILIATIONS**

<b>TRUST RELATED BANK ACCOUNTS</b>							
Bank Account Information	Account 1	Account 2	Account 3	Account 4	Account 5	Account 6	TOTAL
Name of Bank:	Wells Fargo						
Account Number:	x1522	x7229	x1506	x1456	x1480	x9395	
Purpose of Account (Operating/Payroll/Tax)	Trust Operating						
Type of Account (e.g. checking)	Checking	Direct Deposit					
1. Balance per Bank Statement	8,645,698.74	0.00	0.00	0.00	0.00	125,000.00	8,770,698.74
2. ADD: Deposits not credited							
3. SUBTRACT: Outstanding Checks							
4. Other Reconciling Items							
5. Quarter End Balance (Must Agree with Books)	8,645,698.74	0.00	0.00	0.00	0.00	125,000.00	8,770,698.74

<b>PASS THROUGH BANK ACCOUNTS</b>			
Bank Account Information	Account 1	Account 2	Account 3
Name of Bank:	Wells Fargo	Wells Fargo	Wells Fargo
Account Number:	x4226	x9162	x7889
Purpose of Account (Operating/Payroll/Tax)	Operating	LC Collateral	Canadian Operating
Type of Account (e.g. checking)	Direct Deposit	Direct Deposit	Direct Deposit
Status	Closed	Closed	Closed
<b>Prior Quarter End Balance</b>	580,022.18	0.00	125,000.00
1. Balance per Bank Statement	580,022.18	125,000.00	
2. ADD: Deposits not credited			
3. SUBTRACT: Outstanding Checks			
4. Other Reconciling Items	580,022.18	125,000.00	
5. Quarter End Balance (Must Agree with Books)	0.00	0.00	0.00
	Acct closed	Acct closed	Acct closed